

Working group 2: Radio in the Digital Environment
33rd EPRA meeting Ohrid, 25-27 May 2011

Summary of the discussion

Nele Smets, group coordinator, CSA (BE)

The group started with a presentation from MxLab - Backstage Radio, a Swiss start-up that has created a participative web radio where the users are the DJ's, the radio is also aired on DAB+ in the Swiss German part of the country. This platform is interesting as it combines the richness of a web 2.0 musical platform and the interactivity of internet while reaching a larger audience through DAB+. Backstage Radio is a non expensive way to provide DAB multiplex with original programs.

Then there was a short presentation on hybrid radio that uses broadcast technology for the transmission of audio and broadband for the transmission of data and interactivity.

Discussion

Can digital radio only be radio over the Internet?

Peter Davies – OFCOM UK agrees that IP by itself is not the solution. In the UK, 12 Mio DAB sets have been sold (that represents 38% of UK households, 26-27% of all listening is digital (DAB or IP)).

The take-up is slow and the coverage is not as good as FM's, mobility is a problem especially when considering the IP solution.

Digital radio Action Plan looks at switchover dates and set prerequisites (e.g. at least 50% listening must be digital, DAB coverage must be as good as FM coverage,...).

Oliver Gerber – OFCOM CH agrees that IP radio is mainly complementary, DAB+ is the main strategy in Switzerland. Although OFCOM is satisfied with the development and the success of digital radio, emphasizing on the importance of a strong public broadcaster also driving the interest of the public (15% penetration so far), Switzerland is facing the same kind of problems than UK.

Jette Fievé – RTB DK: a digital strategy for radio is being under development in Denmark. The question raised by RTB is that IP could become the long term solution and DAB / DAB+ a solution for the transition phase. This question was however not debated (yet) in Denmark.

Costs of digital radio? Is the government ready to pay?

Nele Smets – CSA BE: In French speaking Community of Belgium, the government is ready to pay for the development of digital radio owing to the huge problems on FM (interferences, no frequency left, no real possibilities to start new projects on FM, etc...)

In the UK: the costs are lower for DAB than for FM but only for big radios. The main issue is how to deal with the switchover and how to pay for the simulcast. The envisaged solution is cooperation between government/commercial radios and the BBC.

Someone raised the question of digital radio in the US. In US, the technology used is HD Radio (<http://www.hdradio.com/what-is-hd-radio>) which is a very different system allowing existing broadcasters to broadcast digital signals alongside analogue FM signals. In Europe, this solution could not be used as channel spacing is too narrow.

In Switzerland, some HD Radio licences have been awarded in 2010 but were never used and have been now withdrawn.

Miha Kriselj from Slovenia highlights that the main problem of radio switchover is the lack of digital dividend. TV bands (VHF band III: 174-230MHz, UHF band IV-V: 470-860MHz) represent a large amount of bandwidth and the upper part of the band have propagation properties that interest other services (like GSM) when FM band (band II) is quite narrow (only 20,5 MHz in most European countries) and the propagation properties are not so convenient for GSM. The main driver for analogue radio switch-off still has to be invented.

Line Langnes – Norwegian Media Authority: in Norway, the digital radio strategy is based on two principles with regards to costs: the switchover should be industry-driven and the industry should stimulate the migration. Envisaged switch-off date is 2017 (it will be possible for some specific radios to stay on FM however). All costs will be covered by the industry and the industry is willing to pay.

Bob Collins - Broadcasting Authority of Ireland: in Ireland the government has no interest at the moment (and no prospect either) to participate in the funding of the switchover because there is no public dividend. The government is focusing on TV switch-off. RTE is interested in experimentations on DAB. There is however little data on audience response. Private broadcasters are not interested because of costs. There is no imperative and no perceived advantage.

Oliver Gerber - In Switzerland, there is an instrument laid down in the Swiss Radio and Television law to promote new technologies by financial contributions to investments. DAB+ is a technology that falls into the scope of this technology promotion instrument.

This contribution is funded by the radio license revenue fee that every Swiss citizen has to pay. Every licensed broadcaster can apply for the subsidy if he invests in his own network or contributes to the investments in a network that a third party builds or operates (includes also depreciations). Broadcasting companies get this subsidy if they prove that adequate financing possibilities are not available in the corresponding coverage area. Switzerland has not had satisfactory results with this law provision. Until now, hardly any technology promotion subsidy has been spent in Switzerland, because most broadcasters who are on the DAB+ network are not licensed. In addition, content providers are not the persons that should be funded, because they are mostly not investors (though they contribute partially to operating costs of a network). The money should instead flow to those institutions who are directly investing into the construction of networks, i.e. the existing network operators, regardless if they are also licensed broadcasters or not. Still Switzerland thinks that the idea of promoting DAB+ by technology funds is a useful tool.

Same transmission network for all?

In the French speaking Community of Belgium, the idea is to use the existing transmission network of RTBF (the public service broadcaster) to ensure the same cover and quality for all.

The price estimation is 1000€/kbit per second per year for a semi-national coverage (Brussels and Wallonia), the bitrate will probably be 64kbps or 32kbps, the transmission costs would then be 64.000€ or 32.000€ per year for a semi-national coverage and 16.000€ or 8.000€ per year for a regional coverage. These prices are estimated 4 to 6 times cheaper than FM networks for similar coverage areas.

This approach of having the same service for all is the same in the UK, as it is cheaper and avoids interference problems.

Disposal of receivers and recycling

Another cost-related issue is the disposal of receivers and recycling. In the UK, it is envisaged that very local community radios would keep FM, thus replacing commercial broadcasters.

The issue of recycling has been addressed in Norway, with an organisation in charge of the recycling. It is not considered as a huge issue: some radios will have adapters. Also as

switchover is scheduled for 2017 people will progressively buy combination radios. In addition, radio sets are very small in size.

In general, FM receivers could also be sent to countries where analogue switch-off is not discussed so far.

Has anybody stopped broadcasting in LW, MW or SW?

In Belgium it is about to disappear, except maybe for RTBF International (MW).

In Norway, it has disappeared already.

In Switzerland, the transmitters have been shut down for health reasons (besides economic and age reasons). The radiation limits are very strict.

In Italy, health issues were publicly assessed in the village of Cesano where Radio Vatican has its 14 transmitters in short and medium waves. Radio Vatican is about to have to pay important compensations to the residents of Cesano¹.

In Romania, 40% of broadcast in rural areas is done in MW.

In UK, the issue will be part of the switchover process.

More and/or exclusive content as main driver of digital radio?

In Belgium, the public would be likely to follow if choice increases because FM is so crowded.

In Denmark, there are two radio multiplexes on air with 90% coverage. However, the offer is mainly music radios and only few spoken radios. This could be one of the reasons explaining the lack of success of digital radio.

Standards

If UK were to launch digital radio now, DAB+ would be chosen. The problem is that they have started with DAB and a lot of people already own DAB only receivers. Audience research reveals that quality of reception is considered to be the best incentive to go digital.

In France, there are trials in DAB+ but DMB was chosen as the official standard. A report commissioned by the Prime Minister is scheduled for next year also encompassing the issue of standards. The choice of DMB by the French authorities has been questioned by radios. However, the physical layer is the same for DAB, DAB+ and DMB so it is easy to produce multi-standards receivers.

In Norway, it is up to the industry to choose whether DAB or DAB+ will be used.

Someone raises the question of using DVBT / DVBT2 transmitters for digital radio; the problem is the lack of dedicated receivers.

Do's and don'ts: (see also the presentation)

Information & promotion

The problem in French speaking Community of Belgium when DAB was first launched is that there was no or few information to the public, only the radios from the public broadcaster are available so far and there is no exclusive content, the digital offer is than poorer than on FM.

In Switzerland receivers were handed out in the villages where LW and MW transmitters were stopped.

"Radio Amnesty" campaigns in UK: you get a reduction on a digital receiver if you bring your FM receiver back to the store. Norway has also made "Radio amnesty" campaigns.

Labelling of receivers

Labelling the receivers is a way to ensure that the receivers on the market are good enough and that the "digital experience" is satisfactory for the audience.

Receivers must be available at different prices (in the UK it starts from 30 EUR). There is also a need to have adapters available on the market, especially for cars.

¹ http://www.radioactu.com/actualites-radio/loi_134272/radio-vatican-la-station-condamnee-pour-pollution-electromagnetique/

Incentive for existing broadcasters

Expansion of coverage.

Possibilities to create new channels: priority to existing broadcasters on available capacity can be a way to reassure broadcasters on the split of market shares.

Softer regulation on digital radio?

In French speaking Community of Belgium, obligations are stricter on FM because of scarcity, for new digital only project, the obligations could be lighter (as it is cheaper to produce) and could progressively evolve to FM-like regulation as digital radio becomes successful and starts to generate revenues.

Ireland is of the view that if regulation is capable of being softened than it should be softened anyway and not as an incentive.

In Norway, broadcasters are united in a common organisation for the digitisation of radio; Line Langnes insist on the importance that public and private broadcasters speak with one voice.